United Nations DP/CPO/POL/1

Executive Board of the United Nations Development Programme and of the United Nations Population Fund

Distr.: General
3 April 2003

Original: English

Annual session 2003
6 – 20 June 2003, New York
Item 6 of the provisional agenda
Country programmes and related matters

Country programme outline for Poland (2004-2007)

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03-31674 (E) 130503

I. Situation analysis

1. Agreement on accession to the European Union (EU) in 2004 confirms Poland's rapid transformation into a democracy governed by the rule of law, with an expanded market economy, functioning governance institutions, and most of the features expected of a modern state. Evolving from its status as a net recipient country, Poland is gradually becoming a donor, with special focus on countries to the east.

2. Nevertheless, many challenges remain. Despite the modernization of legislation and institutions, skills and practices lag behind, and progress has exacerbated disparities. While administrative capacity has improved, the EU calls for further development of the appropriate skills to enable the full absorption and proper use of structural and cohesion funds after accession. Civil society still plays a minor role, and its influence on policy-making is relatively small. More recently, serious economic challenges have returned, with high government deficit (6.7 per cent of gross domestic product (GDP)), high interest rates, and reduced investment (from 15.3 per cent in 1998 to 3.1 per cent in 2002). Growth has slowed from above 5 per cent in the 1990s to slightly over 1 per cent in the past two years. Expenditures on education have fallen from 0.88 per cent of GDP in 1992 to 0.78 per cent in 2000, raising concerns particularly about the quality of higher education, the capacity for research, and an emerging high technology gap and "digital-divide". Productivity remains low, particularly in the agriculture sector, where it is one sixth that of the least affluent countries of the EU. Industrial restructuring has made many workers redundant. Unemployment has risen to 18.6 per cent, affecting mainly youth and women. Regional disparities are growing, with disparities ranging from 1:2 to 1:5 and incomes in the rural areas only 31 per cent of the national average. Poverty affects 15 per cent of the population, and the 2002 Human Development Index ranks Poland behind many of the other countries that will join the EU in 2004.

3. The EU has recognized the remaining capacity gaps and has made provision for further transitional measures through 2004-2006. The proposed country programme 2004-2007 reflects the UNDP commitment to support the Government's efforts in addressing these remaining challenges.

II. Past cooperation and lessons learned

4. The 2001-2003 country programme focused on assisting Poland towards EU accession in areas where development needs coincided with UNDP's strengths and practice areas. Due to growing regional disparities, in 2001 the Government requested UNDP to strengthen its geographical focus on the poorest rural regions of eastern Poland bordering the Russian Federation (Kaliningrad), Lithuania, Belarus and Ukraine. The East-East cooperation and cross-border dimensions were strengthened in virtually all UNDP activities. In the field of governance, the success of Total Quality Management, a model widely used in the EU for increasing the effectiveness of the public sector, created significant demand for advisory services from sectoral ministries and local governments. The local sustainable development interventions have changed the way local governments interact with communities and civil society, resulting in more inclusive and sustainable policy- making. UNDP contributed to the country's success in keeping HIV/AIDS infection rates low by facilitating dialogue between the Government and civil society organizations (CSOs), and between central and local authorities. Attempts to strengthen intersectoral cooperation at the national level were less successful, but the decentralization reforms allowed more progress at the local level. UNDP successfully launched the Global Compact initiative by building a new partnership with the private sector to promote corporate social responsibility. New partnerships were also forged with employers' organizations, trade unions and the Government to strengthen the tripartite system of social dialogue.

5. In the field of environment, the success of the Small Grants Programme led to larger-scale projects in biodiversity and climate change which attracted significant resources from the Global Environment Facility (GEF). Delivery was affected by the relatively low capacity at the local level for implementing large infrastructure projects, causing delays in meeting GEF/UNDP project prerequisites. These problems have since been overcome. The programme has created a better understanding of the global dimensions of biodiversity and climate change.

III. Proposed programme

A. Linkage with the United Nations Development Assistance Framework

6. The country programme outline has been developed at the request of the Government and in consultation with central and local government partners, CSOs, the United Nations country team, the European Commission and bilateral donors. The national frameworks of the country programme are the National Development Plan 2004-2006, and the Joint Inclusion Memorandum, both prepared by Government to meet EU accession requirements. They define the strategies for development and poverty reduction. The common country assessment (CCA) provides the basis for the United Nations system's strategy in Poland (due to the limited number of United Nations agencies and programmes in Poland, a United Nations Development Assistance Framework was not produced). This strategy is further guided by the Millennium Development Goals (MDGs) adapted to the context of Poland, and the MDG report of 2002, which provide a baseline for measuring future progress.

B. Intended results

7. The intended results are outlined in the annex to the present document.

C. Cooperation strategies

8. The overall goal of the programme is to support the successful completion of Poland's integration into the EU and to contribute to the achievement of Poland's MDGs. The main thrust of UNDP's strategy will be to support the efforts and strengthen the capacities of national partners, especially local and regional authorities, to enable Poland to effectively absorb EU structural and cohesion funds following its accession in 2004.

9. The strategy places special emphasis on directing national efforts and resources towards the needs of the most vulnerable groups, including subsistence farmers and the unemployed, particularly in the eastern part of the country. The focusing of initiatives in the east will also provide a basis for cross-border cooperation with Poland's neighbours to the east. The proposed programme is expected to be the last period of UNDP programme presence in Poland, beyond which the relationships will be transformed into drawing on Poland's extensive experience in transition issues in such areas as democratic governance and investment promotion in the context of East-East cooperation, and its role as an emerging donor.

10. Governance, environmental management and social inclusion are the three main pillars of the country programme. It will focus on disadvantaged areas and vulnerable groups with a view to reducing geographical and social disparities through the following measures: maximizing opportunities for cross-border and East-East cooperation in full consultation with the countries concerned; promoting public understanding of social inclusion and human rights, especially of vulnerable groups; promoting gender equity; promoting applications of information and communication technologies (ICT) to human resources development; strengthening the administrative capacity of local administrations; strengthening civil society to engage with local administrations, and building a culture of corporate social responsibility in business; and strengthening public-private partnerships between beneficiary groups, government, civil society, non-governmental organizations (NGOs) and the corporate sector.

11. The programme on governance will build national capacity to access EU structural funds. The programme will help local administrations to develop and especially implement sustainable development strategies, using the proven Agenda 21 audit tool aimed at building public-private partnerships and involving civil society and NGOs, as advocated by the 2002 World Summit for Sustainable Development. Special emphasis will be placed on connecting strategic objectives with concrete action plans, management procedures and available resources. The programme will continue to strengthen the administrative capacity of central government agencies, including the police, and local administrations through demonstrating and applying the Total Quality Management model. A simpler quality management model will be extended to support small and medium-size enterprises (SMEs), where the main challenge is to increase the competitiveness and quality of products and services. This will focus on deprived regions as a contribution to employment generation and poverty reduction.

12. To spread these models and to build capacity beyond immediate partners to access EU structural funds, the programme will develop Internet-based distance learning programmes accessible to government and NGO managers throughout Poland. Distance learning will also be extended to Ukraine and potentially to other CIS countries. All partners will be encouraged to develop e-governance portals for public access to information and transactions. UNDP efforts will contribute to combating the emergence of a "digital divide", and complement EU and World Bank support for the creation of a knowledge-based economy. The governance programme will contribute to strengthening public accountability, transparency and administrative capacities at the central and local levels to absorb EU structural and cohesion funds. Experiences will be shared with neighbouring countries to strengthen east-east and cross-border cooperation.

13. The programme on environment will focus on protecting biodiversity and combating climate change. It will be implemented by local communities, NGOs, local administrations and the corporate sector. The programme will also raise public awareness of environmental issues and contribute to local and national policy development. The programme will contribute to implementation of the national environment policy, and to Poland's obligations under international conventions on climate change and biodiversity. It will have a special focus on NGOs and CSOs, contributing to the strengthening of civil society to influence national policy formulation. The component on climate change will demonstrate increased energy efficiency in transport systems and electric motors, and the use of alternative and renewable energy sources for heat and electricity production. The larger projects include improving bicycle road infrastructure in the city of Gdansk, promoting an integrated approach to burning wood waste for heat production, and improving the efficiency of industrial electrical motors. Smaller community-based projects will focus on poorer communities to reduce fuel costs by demonstrating the use of solar energy and biomass. The component on biodiversity will demonstrate the protection of river valleys through balanced socio-economic development and appropriate water management, and create a nationwide network of NGOs focusing on the protection of habitats of endangered species. Two additional projects for the Barycz and Upper Narew valleys are expected to be approved in 2003 for implementation in the period 2004-2007. A third project on agrobiodiversity is being prepared. Many of the projects will link climate change mitigation, biodiversity conservation and anti-poverty initiatives: bicycle roads protect habitats, reduce energy consumption and create employment; biomass projects create an economic value for waste generated from habitat protection. Some projects will demonstrate best practices in reducing persistent organic pollutants, especially in the agriculture and health sectors. Apart from their direct ecological impact, all projects will be selected for their potential for replication, and will be designed to create a culture of local and community activism on environmental issues, and engage civil society in environmental policy formulation. The environment programme will be funded through the GEF, with 3 to 4 medium and large projects, and around 15 to 25 small projects under implementation each year.

14. In addition, the programme will support an area-based project for environmental management and sustainable development in the Bialowieza forest, a socially and economically deprived area which is rich in natural beauty and wildlife, including endangered species. As the forest spans the border with Belarus and is a designated euro region, the programme will involve cross-border capacity- building and collaboration around this common resource.

15. The third programme area will address poverty-related issues within the context of social inclusion and Poland's accession to the EU, in line with the social policy component of the EU's "Lisbon strategy" on social and employment issues. The programme will stimulate debate on social exclusion, and promote awareness of the remaining significant human rights issues. It will also undertake and support advocacy activities for the implementation of United Nations conventions, conferences and resolutions, and other initiatives in the field of human development, with special emphasis on the MDGs. One of the new initiatives envisaged in the programme area, will consist of linking the MDG campaign to the Joint Inclusion Memorandum process and more specifically, monitoring progress towards including national, social inclusion goals. In addition, the programme will support activities combating discrimination against HIV-infected persons, support prevention campaigns by NGOs and local administrations to keep HIV/AIDS

infection rates low, and support efforts for greater inter-ministerial cooperation. It will combat violence against women and trafficking of women by supporting NGOs and government bodies in the fields of public awareness creation, legal reform, implementation of the law, and policy formulation. These two issues will be used as entry points for stimulating broader discussion on social attitudes to gender. The programme will provide advocacy in support of the work of UNFPA in the fields of reproductive health and demographic policy. It will also stimulate public debate on the situation of vulnerable groups, including Roma immigrants and the elderly. In support of the Global Compact initiative, the programme will continue to promote corporate social responsibility and public-private partnerships to address issues of governance, environment and social exclusion. In support of the eighth MDG ("Develop A Global Partnership for Development"), the programme will support the expansion of Poland's development assistance, through assisting policy formulation, especially in the multilateral dimension, providing access to networks, supporting the expansion of development-related and humanitarian NGOs and stimulating a public constituency in favour of development assistance. UNDP's global and national Human Development Reports and MDG reports will be used to highlight development and human rights issues.

IV. Programme management, monitoring and evaluation

A. Monitoring

16. An annual evaluation plan will be prepared at the beginning of each year. The programme will support a bi-annual MDG report, which will measure progress against quantifiable targets. All projects will be monitored through UNDP's regular monitoring and evaluation mechanism, through staff of UNDP Poland, assisted by staff of UNDP's Regional Support Centre in Bratislava. To ensure accountability, transparency and national ownership, a Country Programme Committee composed of key government partners and UNDP will provide strategic oversight and joint management of the programme. The Country Programme Committee will include, as members or observers, representatives of central and local governments, donors, international organizations and civil society, including representatives from disadvantaged areas and vulnerable groups.

17. The Country Programme Committee will jointly review the programme at mid-term, i.e., at the end of 2005, using available and proven national monitoring and evaluation expertise, including the Central Statistical Office.

B. Execution and implementation

18. Given the availability of experienced and competent national expertise, all projects will be nationally executed, with predominant use of national consultants. If required, all projects will have access to technical backstopping and/or expertise from the United Nations system, the UNDP Regional Support Centre in Bratislava, the EU and international organizations. To ensure transparency, accountability and national ownership, executive boards will be established for all projects with a budget over $100,000. Cooperation with the private sector will be monitored through the Global Compact Steering Committee. The UNDP office in Poland will continue to manage and implement UNDP inputs to the programme.

C. Resource mobilization

19. The resource mobilization strategy is geared towards further strengthening partnerships and co-financing with the Government. This will be done through identifying mechanisms and implementation arrangements whereby UNDP, based on its comparative advantages and good track record in capacity-building, may effectively support national authorities in programming and disbursing budgetary resources placed at their disposal following accession. By providing support services to national implementing agencies, UNDP will help to raise the absorptive capacity of the country's administrative structures to make efficient use of the EU structural and cohesion funds available during the 2004-2006 transition period to implement the National Development Plan and the Joint Inclusion Memorandum. Mobilizing national resources for development is therefore an integral part of the country programme. The target resource envelope for the programme from all sources is $5 million per year. Government cost-sharing is expected to be the main source of funding, where applicable utilizing funds originating from the EU. As demonstrated in the previous programme, central and local administrations

are ready to pay for services under the governance programme. Poland will continue to qualify for UNDP regular resources funds estimated at $0.5 million annually, which will be used to leverage government cost-sharing. The programmes will also draw on residual funding from United Nations and bilateral sources. Most of the funds for the environment programme are already approved by the GEF ($6.5 million approved, $1.7 million under active consideration, plus a yearly average of $0.5 million of small grants), and it is expected that further funding will be secured in 2003. While EU member States may no longer provide bilateral funding, non-EU bilateral donors will be approached for support on specific components of the programme. Such donors are currently considering proposals that will carry over to the 2004-2007 cycle. One result of the new partnership with the private sector on corporate social responsibility is the increased opportunity to attract funding, especially as companies are increasingly realizing that social progress is a necessary condition for the economic growth necessary for the success of their business. Additional funds will be solicited from issue-specific international NGOs and trust funds.

20. In addition to resources passing through UNDP, the programme will "broker" a greater volume of resources which will flow directly from the funding source to the benefiting partner, contributing to the same goals of the country programme.

21. UNDP operational costs are expected to be further reduced by the electronic consolidation of certain routine transactions in the UNDP Regional Support Centre in Bratislava, enabling some staff reduction in Warsaw. The Government is expected to meet 100 per cent of the local costs of the UNDP office.

Annex: Results and resources framework for Poland (2004-2007)

Strategic objective 1: Strengthening governance in line with EU standards

Strategic areas of support	*Intended outcomes*	*Indicators of outcome or purpose*	*Outputs, including key output indicators, where needed*	*Resources by strategic area of support/outcome or programme area (in thousands of US dollars)*
Efficiency and accountability of the civil service	Improved administrative capacity of the public sector, particularly in the area of EU funds utilization.	- Number of public sector organizations with certified management systems. Baseline 60 in 2002, target 300 in 2007 - Number of applications for EU funds meeting formal requirements. Baseline ca 50 per cent in 2002, target 90 per cent in 2007	- 150 public sector organizations with modern management systems - 5,000 public servants trained in formulation and management of EU projects - 10,000 hits per month on public administration best management practices web site	Regular resources: 400 Other resources: Government cost-sharing (GCS): 2 100 Third-party cost-sharing (TPCS): 1 000 Funds/Trust Funds (F/TF): 400 Subtotal: 3 900
Partnerships between local authorities and CSOs	Sustainable development strategies implemented in cross-sector partnership and effectively managed according to EU standards	- Number of local development strategies implemented in line with Local Agenda 21 recommendations - Number of local leaders trained in managing the sustainable development according to EU standards - Number of local communities participating in exchange of good practices on an e-platform base	- 120 sustainable development strategies implemented in cross-sector partnerships - 360 local partnership coordinators trained - 2,400 local leaders trained - 120 local communities participating in exchange of good practices on e-platform base	Regular resources: 400 Other resources: GCS 3 000 TPCS 500 Subtotal: 3 900

Strategic objective 2: Ensure environmental sustainability

Regional cooperation and coordination in natural resources management and sustainable development	Improved measures to combat climate change and protect biodiversity through increased involvement of local governments, civil society, NGOs and corporate sector	- Share of renewable energy in total country consumption 12 per cent by 2020 and mid-term 6.5 per cent by 2010 Baseline 2003 = 1.5 per cent - Poland has committed to an 8 per cent greenhouse gas (GHG) emission reduction target (under the Kyoto Protocol) by 2010. Baseline 1.7 tonnes of carbon dioxide released per $1,000 of GDP - Integrated approach to ecosystems management incorporated into National Policy (National Biodiversity Strategy and Action Plan adopted)	- Inter-municipal public-private partnership established to demonstrate biomass utilization for heat production. Annual use of wood waste biomass (baseline 2003 = 0 tonnes, target 2008 = 4,000 tonnes) - 30 km of bicycle roads built with the financial involvement of $1.5 million from City of Gdansk and in consultation with the civil society consultative team. Share of journeys by bicycle in all travel (baseline 2003 = 1.5 per cent, target 2008 = 5-10 per cent) - Increased sales of energy efficient electric motors. Market share of energy efficient electric motors sales (baseline 2003 = 0 per cent, target 2008 = 15 per cent) - Good practices demonstrated on biodiversity and agrobiodiversity protection; 2 large and 10 small models for ecosystems management - 60-100 projects supported by Small Grants Programme (40 per cent biodiversity, 60 per cent climate change)	Other resources: GEF (F/TF) 4 300 full size projects 2 000 Small Grants Programme 1 800 hard pipeline medium-size projects 1 000 carry-over Subtotal: 9 100

Strategic objective 3: Social inclusion

Public awareness and policy dialogue on sustainable human development	Enhanced sustainable human development and more effective addressing of MDGs by introducing new instruments and including new development partners	- Partnerships between private, public and civil society organizations implemented - Tax incentives introduced for public-private partnerships, which address sustainable human development	- Revised government policy on mechanisms to support cross-sector partnerships - Public campaign to raise awareness of opportunities of public-private partnerships and Global Compact principles organized - Development of network of partnerships for sustainable human	Regular resources: 100 Other resources: GCS: 100 F/TF: 100

			development, with 180 organizations from all sectors		
Strategic leadership of the resident coordinator system	- Increased public understanding and support of the United Nations global agenda - Polish development cooperation framework established in support of global MDG 8	- International conventions and resolutions ratified by Poland -Polish NGOs produce independent analysis of Poland's progress to global agreements - National development cooperation strategy and legal framework for establishment of Polish Development Agency	- 40 discussions, workshops and conferences organized to discuss international events with NGOs, CSOs, private sector - Campaign to stimulate public constituencies in favour of Polish development assistance - Development of network of NGOs in support of Poland's role as a donor in partnership with similar networks from EU countries	Regular resources: Other resources: TPCS:	100 150
Measures to reduce violence against women	- Reduced rate of violence against women	- Mechanisms to prevent trafficking and violence against women operating on the local level - Implementation of the national strategy for equal status of men and women by local and central authorities	- National consultations to develop local mechanisms to contain violence against women organized - National campaign in support of changing social attitudes towards gender: 48 workshops and conferences organized - 2,000 policemen trained in recognizing symptoms of violence against women. - Developing network of regional NGOs combating violence against women and trafficking in women	Regular resources: Other resources: GCS:	50 200
Monitoring of poverty and inequality	Social inclusion institutions and practices existing to allow minorities and vulnerable groups to fully realize life choices	Monitoring mechanisms and indicators on social inclusion developed and implemented on the local level	- Annual National Human Development Report describing situation of minorities and vulnerable groups and providing recommendations for improvement - Conclusions of the report communicated to NGOs, public sector representatives through 6 annual main events: workshops, conferences and internet discussions	Regular resources: Other resources: GCS: TPCS:	100 50 50
Comprehensive strategies to prevent the spread and mitigate the impact of HIV/AIDS (MDG 6)	HIV infection rate kept under control through development of local leadership, locally based partnerships with civil society and cooperation networks	- Rate of annual new infections kept under 600 cases - Public awareness and knowledge improved, significantly exceeding current level	- 30 NGOs sensitized in human rights approach to people living with HIV/AIDS - 24 local authorities with HIV preventive programmes based on local strategies	Regular resources: Other resources: GCS: TPCS: Subtotal:	126 50 300 1 476

	Totals	
		Regular resources:
		1 276
		Other resources:
		GCS 5 500
		TPCS 2 000
		GEF (F/TFs) 9 100
		F/TFs 500
		Grand total: **18 376**